

▯ ***New Credit Card Rules Take Effect Today***

Steubenville, OH - This morning Congressman Charlie Wilson (OH-6) held a press conference on the new pro-consumer credit card rules that are going into effect today.

One of the key achievements of the 111th Congress was the enactment of the Credit CARD Act - or the "Credit Cardholders' Bill of Rights" - which President Obama signed into law on May 22, 2009 (PL 111-24). This key legislation is designed to hold credit card companies accountable and provides tough new protections for consumers - banning unfair rate increases and forbidding abusive fees and penalties.

Consumers saw the first set of reforms from the Credit CARD Act go into effect last August. At that time, credit card companies were required to provide written notification of an upcoming rate changes. In addition, consumers were provided the right to cancel any card that had impending changes prior to the rate modification. By forcing credit card companies to be upfront and transparent about changes, consumers were able to make better informed decisions about whether or not they wanted to continue doing business with that company.

Today marks the beginning of the second and most comprehensive set of Credit CARD Act reforms. Effective immediately, credit card companies are prohibited from arbitrarily raising interest rates on consumers and are now required to apply payments in excess of the minimum to the balance with the highest rate of interest. In addition, interest charges will no longer be permitted on debts that are paid in a timely matter, also known as "double-cycle billing". Consumers will now have the right to pre-approve spending over their credit limit, effectively prohibiting issuers from charging over-limit fees. And finally, some of the more dubious credit card practices, including "early morning" deadlines for payments and the targeting of young consumers without parental consent, will be banned.

Today's reforms also benefit users of non-traditional credit cards, specifically those that hold gift cards. As of today, gift cards must have at least a five-year life span. In addition, gift card balances can no longer be decreased by hidden fees if they are not utilized immediately.

The final set of reforms from the Credit CARD Act will come into effect in August 2010, one year after the initial reforms were enacted.

Please visit the below link in order to view the main provisions of the rules and view interactive features to explain how they will affect credit card users.

<http://www.federalreserve.gov/creditcard/>